

## Supplemental Instructions and a Completed Sample of Form 990-EZ

This part of the instructions provides a set of facts and a filled-in example to help you prepare a complete and accurate Form 990-EZ for 2001.

To avoid having to respond to requests for missing information, be sure to complete all applicable line items; to answer "Yes," "No," or "N/A" (not applicable) to each question on the return; to make an entry (including "-0-" when appropriate) on all **total** lines; and to enter "None" or "N/A" if an entire part of Form 990-EZ does not apply. If one or more applicable line items are not completed, we will consider the return incomplete and contact the organization for the missing information. The penalty of \$20 a day for not filing a return under section 6652(c) also applies if a return is submitted without required information.

The illustrated example of a completed Form 990-EZ for 2001 was prepared using the following facts.

The Raccoons Club of Southern Maryland was chartered on January 4, 1957, as an affiliate of the National Order of Raccoons, which received a ruling letter dated February 28, 1958, recognizing the Order and its affiliated local chapters as exempt from Federal income tax under section 501(c)(4) of the Internal Revenue Code. Members of the local chapters receive a monthly magazine, club pins, and other items from the national organization. The club operates primarily as a community service organization.

The club reports on a calendar year basis. Assets of the organization at the beginning of 2001 consisted of a savings account of \$7,500 and cash in a checking account of \$975. The savings account earned \$300 interest during the year, which was added to the account balance. There was \$2,400 in the checking account at the end of the year.

The club does not maintain any offices and has no employees. All activities of the club are carried out by members and volunteers. The books and records are maintained by the treasurer of the club who is elected from the membership. Mr. Daniel Bell of Route 4, Box 181, Bay City, Maryland 20602 was treasurer in 2001.

The club has 110 members who meet monthly at a local restaurant for lunch and to conduct necessary business. No meetings are held in 2 months out of the year. The restaurant was paid \$495 per month, for each of the 10 months, to provide 110 lunches. The membership dues include provision for these luncheons at cost.

An annual community carnival is held July 2 through 4. A raffle of an automobile concludes the event on the evening of July 4. A concessionaire operates the carnival midway rides while food booths and other activities are operated by members and other volunteers. Proceeds of this affair provide the principal means by which the club carries out its community service projects. The concessionaire receives 60% of the gross receipts from the rides.

### Receipts for the year consisted of:

Food and game booths at carnival . . . . .	\$13,950
Gross receipts from carnival rides . . . . .	23,175
Raffle of automobile . . . . .	29,175
Interest on savings account . . . . .	300
Membership dues and assessments . . . . .	11,550
Contributions in carnival "wishing well" . . . . .	150
	<u>\$78,300</u>

### Expenses and disbursements for the year consisted of:

Grants and similar amounts paid:	
Food and lodging for a family—Fire damaged home	\$1,012
Replacement of furniture—Fire damaged home . . . . .	1,463
Prescription drugs—16 senior citizens . . . . .	2,175
Medical bills—3 senior citizens . . . . .	2,400
Bay City Little League Baseball . . . . .	3,750
Bay City Midget Football . . . . .	3,750
Bay City—Grandstand for recreation field . . . . .	10,500
Per capita fee to National Order of Raccoons . . . . .	4,125
Subtotal . . . . .	<u>\$29,175</u>

Expense of members' monthly meetings . . . . .	4,950
Cost of automobile used in raffle and raffle tickets . . . . .	21,300
Cost of food, etc., sold at carnival . . . . .	4,200
Concessionaire's fee . . . . .	13,905
Legal fees . . . . .	180
Printing, publications, and postage expenses . . . . .	990
Travel and conference expenses . . . . .	1,875
Total expenses and disbursements . . . . .	<u>\$76,575</u>

Using the information outlined here, we are able to fill in Form 990-EZ. We suggest that you familiarize yourself with the facts and the sample return before preparing your organization's return.

## Part I

**Line 1.** We have entered contributions of \$150 received during the course of the carnival, a special event. These contributions should not be reported as part of the revenue from the special event. We checked the box in the heading of our return to show that no Schedule B (Form 990, 990-EZ, or 990-PF) is required because contributions were less than \$5,000.

**Line 3.** We have entered the total membership dues and assessments. Because of the benefits received by the members from the national and local organization (magazine, pins, monthly luncheons, etc.), we have not classified these membership dues as contributions. See the Form 990-EZ instructions for line 3 for information about reporting membership dues as contributions.

**Line 4.** We have entered the amount of interest received as investment income for the year.

**Line 6.** We have combined the carnival and the raffle (the two special events conducted in 2001). We have indicated the total receipts and expenses from these activities. All of the expenses of these special events are reportable on line 6b and none on line 7b, even though some of the expenses represent cost of goods sold. The combined net income from the two events is reported on line 6c.

**Line 10.** We have entered the total of grants and similar amounts paid. We have included the amount of the per capita dues paid to the organization's national affiliate.

**Line 13.** We have entered the total for professional fees for legal services. A legal opinion was sought to determine whether or not the club members would be individually liable for the debts of the club, which is an unincorporated association.

**Line 15.** We have entered the total for printing, publications, and postage expenses.

**Line 16.** We have entered and described "Other expenses,"—expenses of members' monthly meetings, and the costs of travel and conferences.

**Line 19.** We have entered the net assets balance at the beginning of the year from line 27, column (A) of Part II.

**Line 21.** We have entered the total of lines 18, 19, and 20. This computed net assets figure agrees with the end-of-year net assets balance from line 27, column (B) of Part II.

## Part II

We prepared beginning and end-of-year balance sheets using the information given.

## Part III

We listed the organization's two program services and indicated the expenses attributable to each.

## Part IV

We have entered, on the form and in an attachment, the name, address, and the other required information for each officer and director, even though each of them serves without compensation. (**Note:** For the sake of brevity, specific names, addresses, titles, and hours worked were not given in the statement of facts.)

## Part V

**Lines 33 through 38, and 40b.** From the facts given, the answer to each of these questions was "No," "N/A," or "-0-."

**Lines 39, 40a, and 43** do not apply because the club is a section 501(c)(4) organization.

**Lines 40c and 40d** do not apply as there were no excess benefit transactions nor was any excise tax paid or reimbursed.

Short Form

OMB No. 1545-1150

Form **990-EZ**

**Return of Organization Exempt From Income Tax**  
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

**2001**

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

- ▶ For organizations with gross receipts less than \$100,000 and total assets less than \$250,000 at the end of the year.
- ▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

**A For the 2001 calendar year, or tax year beginning** , 2001, and ending , 20

**B** Check if applicable:

- Address change
- Name change
- Initial return
- Final return
- Amended return
- Application pending

Please use IRS label or print or type. See Specific Instructions.

**C Name of organization**  
**Raccoons Club of Southern Maryland**  
Number and street (or P.O. box, if mail is not delivered to street address) Room/suite  
**Route 4, Box 181**  
City or town, state or country, and ZIP + 4  
**Bay City, MD 20602-1235**

**D Employer identification number**  
**52 7654321**  
**E Telephone number**  
**( 555 ) 645-0012**  
**F Enter 4-digit (GEN) ▶**

• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

**G Accounting method:**  Cash  Accrual  
Other (specify) ▶

**I Web site:** ▶ www.rcsm\_20602.org

**H Check**  if the organization is **not** required to attach Schedule B (Form 990, 990-EZ, or 990-PF).

**J Organization type** (check only one)—  501(c) ( 4 ) ◀ (insert no.)  4947(a)(1) or  527

**K Check**  if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization received a Form 990 Package in the mail, it should file a return without financial data. **Some states require a complete return.**

**L Add lines 5b, 6b, and 7b, to line 9 to determine gross receipts; if \$100,000 or more, file Form 990 instead of Form 990-EZ.** ▶ \$ **78,300**

**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances** (See Specific Instructions on page 35.)

Revenue	<b>1</b> Contributions, gifts, grants, and similar amounts received		<b>1</b>		150	
	<b>2</b> Program service revenue including government fees and contracts		<b>2</b>		-0-	
	<b>3</b> Membership dues and assessments		<b>3</b>		11,550	
	<b>4</b> Investment income		<b>4</b>		300	
	<b>5a</b> Gross amount from sale of assets other than inventory	<b>5a</b>	-0-			
	<b>b</b> Less: cost or other basis and sales expenses	<b>5b</b>	-0-			
	<b>c</b> Gain or (loss) from sale of assets other than inventory (line 5a less line 5b) (attach schedule)	<b>5c</b>	-0-			
	<b>6</b> Special events and activities (attach schedule):	<b>a</b> Gross revenue (not including \$ <u>150</u> of contributions reported on line 1)	<b>6a</b>	66,300		
		<b>b</b> Less: direct expenses other than fundraising expenses	<b>6b</b>	39,405		
<b>c</b> Net income or (loss) from special events and activities (line 6a less line 6b)		<b>6c</b>	26,895			
<b>7a</b> Gross sales of inventory, less returns and allowances		<b>7a</b>	-0-			
<b>b</b> Less: cost of goods sold		<b>7b</b>	-0-			
<b>c</b> Gross profit or (loss) from sales of inventory (line 7a less line 7b)		<b>7c</b>	-0-			
<b>8</b> Other revenue (describe ▶ <u>None</u> )			<b>8</b>		-0-	
<b>9 Total revenue</b> (add lines 1, 2, 3, 4, 5c, 6c, 7c, and 8)			<b>9</b>		38,895	
Expenses	<b>10</b> Grants and similar amounts paid (attach schedule)		<b>10</b>		29,175	
	<b>11</b> Benefits paid to or for members		<b>11</b>		-0-	
	<b>12</b> Salaries, other compensation, and employee benefits		<b>12</b>		-0-	
	<b>13</b> Professional fees and other payments to independent contractors		<b>13</b>		180	
	<b>14</b> Occupancy, rent, utilities, and maintenance		<b>14</b>		-0-	
	<b>15</b> Printing, publications, postage, and shipping		<b>15</b>		990	
	<b>16</b> Other expenses (describe ▶ <u>Monthly meetings and conferences</u> )		<b>16</b>		6,825	
	<b>17 Total expenses</b> (add lines 10 through 16)		<b>17</b>		37,170	
Net Assets	<b>18</b> Excess or (deficit) for the year (line 9 less line 17)		<b>18</b>		1,725	
	<b>19</b> Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return)		<b>19</b>		8,475	
	<b>20</b> Other changes in net assets or fund balances (attach explanation)		<b>20</b>		-0-	
	<b>21</b> Net assets or fund balances at end of year (combine lines 18 through 20)		<b>21</b>		10,200	

**Part II Balance Sheets**—If Total assets on line 25, column (B) are \$250,000 or more, file Form 990 instead of Form 990-EZ.

(See Specific Instructions on page 39.)

		(A) Beginning of year		(B) End of year	
<b>22</b> Cash, savings, and investments		8,475	<b>22</b>	10,200	
<b>23</b> Land and buildings		-0-	<b>23</b>	-0-	
<b>24</b> Other assets (describe ▶ <u>None</u> )		-0-	<b>24</b>	-0-	
<b>25 Total assets</b>		8,475	<b>25</b>	10,200	
<b>26 Total liabilities</b> (describe ▶ <u>None</u> )		-0-	<b>26</b>	-0-	
<b>27 Net assets or fund balances</b> (line 27 of column (B) must agree with line 21)		8,475	<b>27</b>	10,200	

For Paperwork Reduction Act Notice, see the separate instructions.

Cat. No. 106421

Form **990-EZ** (2001)

<b>Part III Statement of Program Service Accomplishments</b> (See Specific Instructions on page 40.)		<b>Expenses</b>	
What is the organization's primary exempt purpose? <u>Community services</u>		(Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts; optional for others.)	
Describe what was achieved in carrying out the organization's exempt purposes. In a clear and concise manner, describe the services provided, the number of persons benefited, or other relevant information for each program title.			
<b>28</b>	<b>Grants for community benefits projects</b> (The three grants made are listed in the schedule for line 10.) (Grants \$ <u>18,000</u> )	<b>28a</b>	<b>18,000</b>
<b>29</b>	<b>Financial aid to individuals (food, lodging, furniture, prescription drugs, payment of medical bills) were provided to one needy family and 19 senior citizens.</b> (Grants \$ <u>7,050</u> )	<b>29a</b>	<b>7,050</b>
<b>30</b>	..... (Grants \$ .....	<b>30a</b>	
<b>31</b>	Other program services (attach schedule) ..... (Grants \$ .....	<b>31a</b>	
<b>32</b>	<b>Total program service expenses</b> (add lines 28a through 31a) .....	<b>32</b>	<b>\$25,050</b>

**Part IV List of Officers, Directors, Trustees, and Key Employees** (List each one even if not compensated. See Specific Instructions on page 40.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
Moe Williams, 221 Garner Ave. Bay City, MD 20602	President/Director 10 hrs./wk.	- 0 -	- 0 -	- 0 -
Harold McDermott, 305 Mattingly Way Bay City, MD 20602	Vice Pres./Director 5 hrs./wk.	- 0 -	- 0 -	- 0 -
John Hanna, 8100 Butler Ave. Forest Park, MD 20601	Secretary/Director 15 hrs./wk.	- 0 -	- 0 -	- 0 -

**Part V Other Information** (Note the attachment requirement in General Instruction V, page 14.)

	Yes	No
<b>33</b> Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity		X
<b>34</b> Were any changes made to the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.		X
<b>35</b> If the organization had income from business activities, such as those reported on lines 2, 6, and 7 (among others), but NOT reported on Form 990-T, attach a statement explaining your reason for not reporting the income on Form 990-T.		X
<b>a</b> Did the organization have unrelated business gross income of \$1,000 or more or 6033(e) notice, reporting, and proxy tax requirements?		X
<b>b</b> If "Yes," has it filed a tax return on Form 990-T for this year?	N/A	
<b>36</b> Was there a liquidation, dissolution, termination, or substantial contraction during the year? (If "Yes," attach a statement.)		X
<b>37a</b> Enter amount of political expenditures, direct or indirect, as described in the instructions. ▶ <b>37a</b>   - 0 -		X
<b>b</b> Did the organization file Form 1120-POL for this year?		X
<b>38a</b> Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee OR were any such loans made in a prior year and still unpaid at the start of the period covered by this return?		X
<b>b</b> If "Yes," attach the schedule specified in the line 38 instructions and enter the amount involved.	<b>38b</b>   N/A	
<b>39</b> 501(c)(7) organizations. Enter: <b>a</b> Initiation fees and capital contributions included on line 9	<b>39a</b>   N/A	
<b>b</b> Gross receipts, included on line 9, for public use of club facilities	<b>39b</b>   N/A	
<b>40a</b> 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ ..... ; section 4912 ▶ ..... ; section 4955 ▶ ..... <b>N/A</b>		
<b>b</b> 501(c)(3) and (4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach an explanation.		X
<b>c</b> Amount of tax imposed on organization managers or disqualified persons during the year under 4912, 4955, and 4958 ▶ ..... <b>N/A</b>		
<b>d</b> Enter: Amount of tax on line 40c, above, reimbursed by the organization ▶ ..... <b>N/A</b>		
<b>41</b> List the states with which a copy of this return is filed. ▶ <b>None</b>		
<b>42</b> The books are in care of ▶ <b>Daniel Bell</b> Telephone no. ▶ <b>( 555 ) 645-0010</b> Located at ▶ <b>Route 4, Box 181, Bay City, MD</b> ZIP + 4 ▶ <b>20602-1235</b>		
<b>43</b> Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of Form 1041—Check here ▶ <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year . . . ▶ <b>43</b>   <b>N/A</b>		

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Please Sign Here**

Signature of officer: Daniel Bell Date: 3-14-02

Type or print name and title: Daniel Bell, Treasurer

**Paid Preparer's Use Only**

Preparer's signature: \_\_\_\_\_ Date: \_\_\_\_\_ Check if self-employed:

Firm's name (or yours if self-employed), address, and ZIP + 4: \_\_\_\_\_ Preparer's SSN or PTIN (See Gen. Inst. W): \_\_\_\_\_

EIN: \_\_\_\_\_ Phone no.: \_\_\_\_\_

Raccoons Club of Southern Maryland  
 EIN: 52-7654321

Form 990-EZ (2001)

Part I, Line 6

Event	Gross Receipts	Contributions	Gross Revenue	Expenses	Net Income
Carnival	\$37,275	\$150	\$37,125	\$18,105	\$19,020
Raffle	29,175	-0-	29,175	21,300	7,875
Total	\$66,450	\$150	\$66,300	\$39,405	\$26,895

Part I, Line 10--Grants and similar amounts paid.

Payments to affiliates: Per capita fees paid to the National Order of Raccoons, 1241 Berwick St., Rensselaer, NY 12033, for use in its national program . . . . .	\$4,125
Specific assistance to individuals for: Food, medical bills, temporary lodging, and disaster relief . . . . .	7,050
Bay City Little League . . . . .	3,750
Bay City Midget Football . . . . .	3,750
Bay City Recreation Field--Grandstand . . . . .	10,500
Total . . . . .	\$29,175

Part IV, List of Officers, Directors, Trustees, and Key Employees

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
Daniel Bell, Route 4, Box 181 Bay City, MD 20602	Treasurer 10 hrs./wk.	-0-	-0-	-0-

Part V, Other Information, General Instruction V, Information Regarding Transfers Associated With Personal Benefit Contracts.

The organization was not involved in any activities involving personal benefit contracts.

Part V, Line 35--Receipts from business activities not reported on Form 990-T.

The carnival, and the raffle held in connection with it, are the club's two special events. The income from these annual events is not reported on Form 990-T because these events are not regularly carried on.